

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## MEMORANDUM

TO: All County Auditors

FROM: The Honorable Tim Berry, Auditor of State *TJB*  
Cheryl A.W. Musgrave, Commissioner, Department of Local Government Finance *WJM*  
Bruce A. Hartman, State Examiner, State Board of Accounts *MH*

SUBJECT: Distribution of Installment Payment Revenue

DATE: October 8, 2008

1. The Department of Local Government Finance ("Department"), the Auditor of State, and the State Board of Accounts recommend that all tax revenues received under a property tax installment plan for pay-2008 be distributed using 2008 tax rates since the installment payments relate to pay-2008 levies. In particular, for schools this means that schools would receive a portion of this revenue into their general and pre-school funds based on 2008 tax rates.

2. All property tax revenues received on a single tax billing date (November 10 for Benton, Cass, Noble, Pike, Tippecanoe, and Wells Counties, November 12 for Johnson County, and November 21 for Boone County), and on installment payments due in December 2008 and into 2009, should be distributed to units using the 2008 tax rates.

This treatment is supported by IC 6-1.1-22-9.5(d)(2)(B):

*(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8.1 of this chapter:*

*(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 20-44-3 for the year in which the property taxes are paid; and*

*(2) may be:*

*(A) used to repay temporary loans entered into by a political subdivision for; and*

*(B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from; the year in which the tax statement is mailed or transmitted under section 8.1 of this chapter.*

3. In addition, the Department strongly recommends that revenues received on the installment dates be quickly distributed to the taxing units via automatic monthly advance draws. Regarding settlements, there should be a Fall 2008 settlement no more than fifty-one (51) days after the approved Fall tax due date, (again November 10 for Benton, Cass, Noble, Pike, Tippecanoe, and Wells Counties, November 12 for Johnson County, and November 21 for Boone County) that would include all revenue received by the county as of that date.

For the payments received *after* this Fall tax due date, settlement would occur at the same time as the Spring 2009 settlement. The Auditor of State's office will provide additional details as to the procedures necessary to complete the Spring 2009 settlement that includes installment payment revenue.

If you have any questions or concerns, please contact John Mallers, Budget division director for the Department of Local Government Finance, at (317) 234-3937 or [jmallers@dlgf.in.gov](mailto:jmallers@dlgf.in.gov).